GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Public Services - Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada - Departmental proceedings under Rule 20 of the Andhra Pradesh Civil Services (Classification Control and Appeal) Rules, 1991 - Articles of Charges - Issued.

LABOUR, FACTORIES, BOILERS AND IMS (IMS&VIG) DEPARTMENT

G.O.Rt.No.169 Dated:11 .05.2022

Read the following:-

1. From the DG, (V&E) & E.O. Prl. Secy. to Govt. VR.No.1, (C.No. 2982/V&E/Sec.II/D2/2019-1&2&836/V&E/Sec.II/D2/2019-1) Dt.03.01.2020.
2. From the Director of Insurance Medical Services, A.P., Vijayawada Lr. Rc. No.1625923/SM/DIMS/2022, dated:15.03.2022.

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ORDER

It is proposed to hold an inquiry against Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada in accordance with the procedure laid down in Rule 20 of the Andhra Pradesh Civil Services (Classification, Control and Appeal)Rules,1991.

2. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held is set out in the enclosed Statement of Articles of Charges (Annexure-I). A statement of imputations of misconduct or misbehavior on which action is proposed to be taken against him is enclosed (Annexure-II). A list of documents by which and alist of witnesses by whom the Articles of charges are proposed to be sustained are also enclosed (Annexure- III&IV).

3. Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada is directed to submit his written statement of defense within10 days from the date of receipt of this Government Order a written statement of his defence and also to state whether he desires to be heard in person.

4. Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada is further informed that an inquiry will be held only in respect of those articles of charge as are not admitted. He should, therefore, specifically admit or deny each article of charge.

5. Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada is further informed that if he does not submit his written statement of defense on or before the date specified in Para-3 above or does not appear in person before the Inquiry Authority or otherwise fails or refuses to comply with the provisions of Rule 20 of the Andhra Pradesh Civil Services (Classification, Control and Appeal) Rules, 1991 or the orders/directions issued in pursuance of the said rules, the inquiring authority may hold the inquiry against him exparte.

6. Attention of Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada is invited to rule 24 of the A.P. Civil Services (Conduct) Rules, 1964 under which no Government Servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to furtherance of his interests in respect of matters pertaining to his service under the Government. If any representation is received on his behalf from another persons in respect of any matter dealt with these proceedings, it will be presumed that he is aware of such a representation and that it has been made at his instance and action will be taken against him for violation of Rule 24 of the A.P. Civil Services (Conduct) Rules, 1964.

7. Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada is specifically informed, that this order does not preclude the disciplinary authority to frame fresh charges, if any other irregularities are noticed during the course of disciplinary action.

(P.T.O)

8. The receipt of this G.O. should be acknowledged.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

To

Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada through the Director, Insurance Medical Services, Andhra Pradesh, Vijayawada.

Copy to:

The Director, Insurance Medical Services, Andhra Pradesh, Vijayawada with a request to serve the Articles of charge on the individual and furnish the dated ACK. of served copy for record.

//FORWARDED::BY ORDER//

K. Vijaya Kumari
SECTION OFFICER

ANNEXURE - I

Statement of Article of Charges framed against Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada.

That the said Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada while working as Purchase Officer, O/o DIMS from 09.01.2017 to 09.05.2019, had committed the grave misconduct and irregularities as mentioned in the article of charges.

Article of Charge -1

That Sri T. Janaki Raman, Administrative Assistant while working as Purchase Officer, O/o DIMS placed indents for the drugs and other material, which are not available in RC to Director, Insurance Medical Services, without receiving any indents from the Dispensaries / panel clinics by violating GOs / Guidelines issued by State Govt / ESIC in order to extend undue favour to Non RC firms.

Article of Charge -2

That Sri T. Janaki Raman, Administrative Assistant while working as Purchase Officer, O/o DIMS issued sanction proceedings for payments by mentioning irrelevant HOA without verifying the indents and quotations

Article of Charge -3

That Sri T. Janaki Raman, Administrative Assistant while working as Purchase Officer, O/o DIMS failed to follow 'First come first serve' basis in payment of pending bills and kept pending the payment of RC firms

Article of Charge -4

That Sri T. Janaki Raman, Administrative Assistant while working as Purchase Officer, O/o DIMS failed to scrutinize the indents and thereby purchased drugs and other materials more than required / intended at exorbitant rates

Article of Charge -5

That Sri T. Janaki Raman, Administrative Assistant while working as Purchase Officer, O/o DIMS processed the files and issued P.O simply basing on fake / fabricated quotations prepared by the staff of CDS and thereby colluded and connived with Non RC firms.

Article of Charge -6

That Sri T. Janaki Raman, Administrative Assistant while working as Purchase Officer, O/o DIMS failed to follow basic established office procedures like preparation of note files, comparative statement, processing payments through Audit Section, etc.,

Article of Charge -7

That Sri T. Janaki Raman, Administrative Assistant while working as Purchase Officer, O/o DIMS processed the file for purchase of drugs worth Rs.5.19 Cr. from M/s. SKP Enterprises, Vizianagaram and M/s. Sri Sitharama Pharmaceuticals, Narasaraopet without indents by way of quotations and issued purchase orders by splitting the amount into 126 purchase orders to avoid e-Procurement.

By his above mentioned acts, he has exhibited lack of integrity, irresponsible towards his legitimate duties, maintaining integrity, devotion to duty and unbecoming of a Government Servant and hereby violated Rule 3(i) of the AP Civil Services (Conduct)rules,1964.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

K. Vijaya Kumari
SECTION OFFICER

ANNEXURE - II

Statement of imputations of misconduct and irregularities in support of Article of Charges framed against Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada.

The Vigilance & Enforcement officials have enquired regarding the misappropriation in the Directorate of Insurance Medical Services, Andhra Pradesh, Vijayawada in procurement of Drugs, Medical Equipment, Biometric Machines, Furniture, engaging the services of call center and ECG Test through M/s. Tale Health Services and establishment of Sewage Treatment plants at 03 Hospitals and one Diagnostic Center through M/s. Jalam Environmental Pvt Ltd., during the tenure of previous three I/c. Directors of Insurance Medical Services i.e., Dr. B. Ravi Kumar (01-11-2014 to 05-07-2016), Dr. C.K. Ramesh Kumar (06-07-2016 to 01-11-2017) and Dr. G. Vijaya Kumar (02-11-2017 to 07-05-2019) and submitted report to the Government. The following are the lapses, irregularities noticed during the enquiry.

1. The Department of Labour, Employment, Training & Factories (IMS) formulated the comprehensive policy guidelines for purchase of Drugs & Medicines and Medical equipment in Insurance Medical Services Department vide G.O.Ms.No.51, Dt.09.04.2012 of LET&F Dept,.

   From 06.01.2017 to 11.09.2019, he worked as Administrative Assistant, O/o DIMS, Andhra Pradesh, Vijayawada and also worked as Purchase Officer from 09.01.20017 to 09.05.2019 i.e., during the tenures of the then Directors, Dr.C.K. Ramesh Kumar and Dr. G. Vijaya Kumar. The duties of Purchase officer are to obtain indents, calling tenders, preparation of comparative statements, finalisation if the LI bidder and getting approval of DIMS for issue of Purchase orders. As a Purchase Officer, all the purchases of Non RC drugs were made by way of limited quotation only, instead of open tenders by way of e-Procurement purchased drugs inviolation of G.O.Ms.No.51.

   Being served as Purchase Officer in DIMS, he is not fully acquainted with all relevant Acts, manulas, G.Os and Circulars issued by Government of Andhra Pradesh from time to time. He has not completely followed all the procedures of Insurance Medical Services as well as ESIC. He is not fully well versed with finance rules, administrative rules and purchase policies of Insurance Medical Services & ESIC and there are certain procedural lapses and violations in procurement of Non RC drugs and etc., He is responsible for processing of all the files with respect to purchases. Besides that he is responsible for all other functions as specified / mentioned in functionary manual of Director Insurance Medical Services.

   During his tenure, as Purchase Officer he purchased drugs under RC, Non R.C, surgicals, lab kits, furniture and medical equipment, but not followed any of the procedures laid in G.O. Ms. No. 489 Finance Dt. 08.12.2008, guidelines of DG, ESIC, G.O.Ms.No 51 Dt. 01.06.2010, G.O.Ms. No. 51 Dt. 09.04.2012, G.O.Ms. No.258 Dt. 20.09.2013, G.O.Ms.No. 40 Dt. 14.02.2014, G.O.Ms. No. 2 Dt. 03.02.2014 and Letter No. U-16/52/2001/Med-III(AP) Dt. 22.11.2016. Procured drugs by following limited tender/ Quotation system. He has not followed open tender system by way of e-procurement and purchased some of drugs from the firms registered outside the state violation of G.O.Ms.No. 51 I&C Dt. 01.06.2010. There is a provision in G.O.Ms. No. 51 to purchase only specialist drugs but not otherwise but he procured drugs other than specialist drugs. There is a provision in G.O.Ms. No. 51 that only items listed in RC contract of ESIC are to be preferred always and rarest among rare cases only the procurement under non RC shall be resorted, but be procured the drugs by violating the provision. There are instructions / guidelines from ESIC, New Delhi vide Letter No. U-16/52/2001/Med-III(AP) Dt. 22.11.2016 that in case of non availability of drug under ESIC rate Contract, it is directed to follow State RC and surgical/consumable to be procured through State Govt. RC or by the State Authority following GFR / ESIC norms.

2. Payment for Medical equipment of Rs. 4,72,66,049/- was not made from relevant HoA i.e., paid under HoA 130/132 instead of HoA 520/521 against budget allocation. Purchased Medical equipment worth of Rs. 2.19 Cr under Furniture head which violates the Financial Rules and deviation of budgetary provision.

In violation of Rules prescribed under AP Budget Manual and the Appropriation Acts passed by the State Legislation, the office of the DIMS purchased items irrespective of the objective head for which budget released. During 2014-15 to 2018-19, an amount of Rs.68.87 Cr deviated from one objective head to other objective head for purchase of items. Year wise and objective head wise details are herewith enclosed. The abstract of deviation of budget and payments from irrelevant Head of Account is as follows:-

Sl. No.	Subject Head	Diverted Head	Amount
1.	Material & Supply - 210 / 211	OOE - 130 / 132	87,70,875
2.	Drugs & Medicines - 210 / 212	OOE - 130 / 132	1,05,68,163
3.	Maintenance - 270 / 272	OOE - 130 / 132	49,82,527
4.	Maintenance - 270 / 272	Material & Supply - 210 / 211	89,26,924
5.	Drugs & Medicines - 210 / 212	Material & Supply - 210 / 211	12,62,49,363
6.	Material & Supply - 210 / 211	Drugs & Medicines - 210 / 212	52,92,83,116
	TOTAL	68,87,80,968	

3. The payment of the drags and dressing to be made on "first come first serve" basis. He failed to follow the norms laid down by the E.S.I.Corporation vide guidelines No. U- 16/52/2001/Med-III (AP) dated 22.11.2016 and the guidelines issued by the Government in in G.O.Ms.No.51 LET&F (IMS) Department Dated: 09.04.2012. While settling the pending bills on the principle of FCFS (First Cum First Served), he settled the bills as desired by him during his tenure duly violating the FCFS principle, consequently bills of some other distributors/companies of Rate Contract and Non Rate contract are pending since year 2012. Therefore, he is violating the principle of FCFS and instructions of the Government while making payments to the Distributor/companies concerned without following norms guidelines during his tenures as Purchase Officer & I/c Drawing Officer, O/o DIMS. Therefore for nonpayment to the rate contract firms since long time, the companies are denied to supply the rate contract drugs and hence it is encouragement of Non rate contract purchases, resulting in huge financial loss to state exchequer.

He failed to follow the instructions issued by the Government in G.O.Rt.No.688 LET&F (IMS&VIG)Department dated 28.11.2017, G.O.Rt.No.121 LET&F (IMS&VIG) Department dated 14.03.2018,G.O.Rt. No.199 LET&F (IMS&VIG) Department dated 21.06.2018, G.O.Rt.No.301 LET&F (IMS&VIG) Department dated 05.09.2018, G.O.Rt.No.12 LET&F (IMS&VIG) Department dated 29.01.2019 i.e., subsequent issuance of the specific instructions given by the Government in Memo No.783273/IMS&VIG/2017 dated 28.11.2017 regarding to ensure detailed verification of all the bills presented as per the prescribed norms of ESI corporation and Government of Andhra Pradesh and to ensure verification of stock entries for all supplies made to hospitals/dispensaries both in terms of quality and quantity.

4. The Directors purchased drugs worth Rs.191.31Cr without indents and drugs worth Rs.21.29 Cr over & above the indented items and supplied to the Hospitals, Dispensaries & Diagnostic Centers and Rs.3.09 Cr worth drugs were supplied to Panel Clinics in the State without indents by violating the G.O.Ms. No. 51 and without any actual requirement by unit level officers and to give purchase orders to Non RC firms of their choice and thereby showed undue favour. Thus, the Directors supplied drugs

without indents and over & above the indents without any justification and without any necessity and caused huge loss to the Govt.

5. The drugs under Non RC were procured by the directors from Non RC firms (local distributors) without following due procedure of tender system. The Directors and staff of Central Drug Store fabricated the quotations and envelop covers of the quotations to avoid competitive bidding and to favour firms of their choice for person gains and thereby made huge wasteful expenditure in procurement of drugs.

During course of enquiry, randomly secured and some of the distributors, who supplied drugs under Non RC to DIMS.On examination, they all categorically stated that they supplied Non RC drugs without any tender process. When approached the Directorate, the then Directors advised them to supply medicines by furnishing a list of drugs to be supplied. Accordingly, they submitted quotations by mentioning the prices as furnished by the Pharmacist. The other quotations were fabricated by the Pharmacistand the staff of Central Drug Store of DIMS. They supplied the required medicines as per purchase orders issued by the Director IMS. They supplied drugs with more than 50% excess price than the RC drugs. They supplied at exorbitant rates to pay bribe amounts to Directors, staff of Central Drug Store. They also stated that they paid bribes to the Directors, staff and the then politicians in getting POs and payments for supply of the Drugs.

No letters are communicated to the Non RC firms calling for quotations and not aware how the quotations were submitted by firms. He has not gone through the quotations and comparative statements before approving the LI quotation, and he only signed comparative statement without verifying the genuineness of the other quotations said to have been submitted by different firms. The Sr.Assistant, Sri E.Ramesh Babu submitted note for non RC drugs by mentioning that RC companies are not supplying those drugs but there is no evidence proof in support of the notice. On perusal of envelop covers of quotations submitted by different firms it is noticed that the hand writings on most of the envelop covers seems to be one and the same.

6. The Drugs are to be purchased on ESIC Rate Contract from Rate Contract Holders invariably. In case of non-supply of drugs by Rate Contract 1st preference Holder (L1), supply order should be placed to firms on 2nd (L2) and 3rd (L3) preferences. But, he purchased Drugs under Non RC by issuing purchase orders to Non RC Distributors Dealers by citing a reason of non-supply of Drugs by RC companies. On verification of PO files, in none of the files, he issued purchase orders to RC companies and simply mentioned in the note files that the RC companies are not supplying the medicines. Thus he violated the ESIC guidelines by mentioning false information in note files.

7. Purchased drugs worth Rs.5,71,12,825/- without indents from the concerned unit officers in violation of G.O.Ms.to.51. The drugs worth Rs.3,49,20,585/- were purchased from M/s.SAP Enterprises, Vizianagaram and drugs worth Rs.2,21,92,240/- were purchased from M/s. Sri Seetharama Pharmaceuticals, Narasaraopet. Issued126 purchase orders by splitting the above amount below Rs.5.00 lakhs for each P.O, deviating the rule position and to avoid e-Procurement. On the files of Purchase Orders all the drugs were purchased without calling tenders and even without calling quotations for purchases below Rs. 1.00 lakh.

From this, it is evident that he has exhibited lack of integrity, irresponsible towards his legitimate duties, maintaining integrity, devotion to duty and unbecoming of a Government Servant and hereby violated Rule 3(i) of the AP Civil Services (Conduct) rules,1964.

Hence, the charges.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

SECTION OFFICER

ANNEXURE - III

List of documents on the basis of which the Article of Charges framed against Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada.

1. G.O.Ms.No.258, Finance (TFR) Dept., Dt.20.09.2013.
2. G.O.Ms.No.2, Finance (Works & Projects-F7) Department, Dt.03.02.14.
3. G.O.Ms.No.40, Finance (TFR) Dept., Dt.14.02.2014.
4. G.O.Ms.No.51, I&C (MSME) Dept., Dt.01.06.2010.
5. G.O.Ms.No.51, Dt.09.04.2012 of LET&F Dept.
6. Circular No.13/CDS/2014, Dt.31.05.2016 of the Director, Insurance Medical Services
7. Purchase procedure guidelines of ESIC vide LR.NO.U-16/52/2001/MED-III (AP), dt.22.11.2016.
8. Article 3 and 4 of Andhra Pradesh Financial Code.
9. Appendix I of part 3 of Andhra Pradesh Budget Code.
10. Letter Rc. No.37/Stores/JDIMS /KDP/2018 Dt. 07.08.2019 & 01.10.2019 of JD, Kadapa addressed to DIMS
11. G.O.Ms.No.683 LET&F Dept. Dt. 24.07.2013
12. Rc.No.246/A/CDS/2017 Dt. 16.01.2017 work order to Jalam for setting up of STP at Tirupathi
13. Lr.No.APTS/HWP/N/AEBAS-RC/2017 Dt. 03.11.2017 of the MD, APTS addressed to the Principal Secretary to Govt. ITE&C Dept
14. Vigilance Report No. 01 (C.No. 2982/V&E/Sec-II/D2/2019-1,2& 836/DG/V&E/Sec-II/D2/2019) Dt. 03.01.2020 of the Director General (V&E) & E.O. Prl. Secretary to Government, General Administration (Vigilance & Enforcement) Department.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

K. Vijaya Kumari
SECTION OFFICER

ANNEXURE - IV

List of witness by whom the Article of Charges framed against Sri T. Janaki Raman, Administrative Assistant, O/o DIMS, Vijayawada the then Purchasing Officer, O/o DIMS, Vijayawada.

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G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

SECTION OFFICER